

MICHIGAN SBT INSURANCE COMPANY 2007

Insurance Company Single Business Tax



Tax Forms and Instructions

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For questions or information, contact us at:

Customer Contact Division, SBT Unit
Michigan Department of Treasury
P.O. Box 30059
Lansing, MI 48909
(517) 636-4700

Important News for 2007....

Tax Rate: The tax rate for the 2007 tax year remains at 1.0735 percent.

Credit Percentage: The credit percentage for the 2007 tax year is 100 percent.

Repeal of SBT

Per Public Act (PA) 325 of 2006, the SBT is repealed on business activity after December 31, 2007. The Michigan Business Tax (MBT), which replaces the SBT effective January 1, 2008, provides for a limited carryforward of SBT credits.

Legislative Changes:

Transferred Jobs Credit

For the 2007 tax year PA 293 of 2005 created a refundable credit equal to 100 percent of the property tax paid on tangible personal property used in the performance of jobs transferred to Michigan. "Transferred jobs" are defined as jobs that involve high-technology activity or manufacturing, previously were located in another state or country, and were moved to Michigan in the tax year in which the credit is claimed or in the immediately preceding tax year. Personal property taxes used to calculate this credit can not also be considered in calculating the Industrial Personal Property Tax Credit.

Filing MBT Quarterly Tax Estimates

If estimated MBT liability for the year is over \$800.00, a taxpayer must file estimated quarterly returns and payments. For a calendar year taxpayer, quarterly returns are due the 15th day of April, July, October and January. Any quarter less than 3 months is due on the 15th day of the month immediately following the final month of the quarter.

The estimated payment made with each quarterly return must be for the total estimated tax for the quarter, or 25 percent of the estimated annual liability. To avoid interest charges, estimated payments must equal at least 85 percent of the liability for the tax year and the amount of each estimated payment must reasonably approximate the tax liability for each quarter. If the year's tax liability is \$800.00 or less, quarterly returns are not required. Estimates cannot be based on the prior year's SBT liability, and can no longer be based on 1 percent of gross receipts.

In lieu of other taxes imposed by the MBT, insurance companies are subject to a 1.25 percent tax on gross direct premiums written on property or risk located or residing in this state with certain exclusions listed in MCL 208.1235. There is no filing threshold for insurance companies. Insurance companies will continue to pay the greater of the 1.25 percent MBT insurance companies premium tax or the retaliatory tax in section 476a of the insurance code. Insurance companies must consider the retaliatory tax for the purpose of calculating estimated payments.

For more comprehensive information regarding the MBT please visit the MBT Web site at **www.michigan.gov/mbt**. The Web site contains information taxpayers may find helpful in determining their estimated tax liability. Note, reliance on information found on the Web site does not protect a taxpayer from imposition of interest and penalties should the sum of the taxpayer's estimated payments not equal 85 percent of the taxpayer liability for the 2008 tax year.

Check appropriate box.

☐ This is an original return.

☐ This is an amended return.

1. Company Name		▶ 2. Federal Employer ID Number (FEIN) or TR Number ▶ 3. Insurer Type (Check one) <input type="checkbox"/> Foreign <input type="checkbox"/> Domestic
Address (No., Street)		
City, State, ZIP Code		
Contact Person	Contact Person Telephone Number	▶ 4. State of Incorporation (use 2 letter abbreviation)

PAYMENT

61. Write the amount entered on page 2, line 57 **PAY THIS AMOUNT** ► 61.

Attach check here

31. Enter the amount from line 30 31.

[illegible]

52. Total Payments. Add lines 48 through 51 **▶ 52.**

SIGNATURE AND PREPARER AUTHORIZATION			
TAXPAYER'S DECLARATION <i>I declare under penalty of perjury that this return is true and correct to the best of my knowledge.</i>		PREPARER'S DECLARATION <i>I declare under penalty of perjury that this return is based on all information of which I have any knowledge.</i>	
		Preparer's Signature	Date
Taxpayer's Signature	Date	Business Address and Telephone	
Title			

Instructions for Form 1366, Insurance Company Annual Return for SBT and Retaliatory Tax

General Information

❶ The effective tax rate for the 2007 tax year is 1.0735%.

This return is due March 1, 2008.

Who Must File

All insurance companies must file this return.

If apportioned or allocated gross receipts are less than \$350,000, then it is not necessary to complete the Single Business tax (SBT) portion of this return. Foreign or alien insurers whose gross receipts are less than \$350,000 must still complete the retaliatory section of the return on lines 32-46.

All insurers, domestic and foreign, must submit copies of *Schedule T* and the *Michigan Business Page* when filing this return.

Signing the Return

All returns must be signed and dated by the taxpayer or the taxpayer's authorized agent. If someone else has prepared the return, the preparer must also sign it and give his or her business address and telephone number in the space provided.

Rounding Figures

Report all amounts in whole dollars. Round amounts of 50 cents or more up. Carry all percentages to six decimal places. Do not round percentages. For example, 24.154266 percent becomes 24.1542 percent (.241542).

Filing Estimated Tax Returns

Estimates must be paid in any year that the annual tax liability is expected to be more than \$600. Estimates must equal at least 85 percent of the current year tax liability, or equal the tax liability for the previous year if the tax was less than \$20,000, provided these payments are made in four timely equal payments. If they are not, the taxpayer will be charged penalty and interest. Quarterly estimate payments are due on April 30, July 31, October 31 and January 31.

Computing Penalty and Interest

Penalty is 5 percent of tax due, for the first two months. Penalty increases by an additional 5 percent per month, or fraction thereof, after the second month, to a maximum of 25 percent. This applies to annual and estimated returns.

The interest rate is adjusted by Treasury January 1 and July 1 of each year, to 1 percent above the prime rate. For a complete list of interest rates, see *Revenue Administrative Bulletin (RAB) 2007-4* on Treasury's Web site at www.michigan.gov/taxes.

How to Get Forms

If additional forms are needed, visit Treasury's Web site at www.michigan.gov/taxes.

Contacting Treasury

For general questions, call the Customer Contact Division, Single Business Tax Unit, at (517) 636-4700.

Line-By-Line Instructions

Lines not listed are explained on the form.

Line 2: Enter the Federal Employer Identification Number (FEIN) or the Michigan Treasury (TR) number. If the taxpayer doesn't have an account number, one will be assigned. This number must appear on all documents sent to Treasury.

Line 3: Check the box to indicate the company's status. Alien insurance

companies check "foreign," unless the port of entry is Michigan, in which case the company is considered "domestic" for the filing of this return.

Adjusted Receipts

Line 5: Enter the amount of total company adjusted receipts for the period.

Gross Receipts Checklist

1. Rental and royalty receipts, unless received from an affiliated insurance company or an insurance agent for the company.
2. Gross direct premiums received.
3. Receipts from administrative services only (ASO) contracts with a person who is not an affiliated insurance company or an affiliated nonprofit corporation.
4. Receipts from a business activity other than the business of insurance.
5. Charges attributable to premiums paid on a deferred or installment basis.
6. Servicing carrier fees received from the Michigan auto insurance placement facility.

Excluded Receipts

1. Receipts from interest, dividends or proceeds from the sale of assets.
2. Receipts on the sale of annuities.
3. Receipts on all reinsurance transactions.
4. Any income which is a flow-through from a partnership or other entity whose business activities would be taxable under the Single Business Tax Act.

Apportionment

Line 6: Enter Michigan gross direct premiums received excluding annuity considerations and reinsurance assumed.

Line 7: Enter total gross direct premiums received everywhere excluding annuity considerations and reinsurance assumed.

Disability Insurance Exemption

Line 12: Subtract \$180,000,000 from the amount entered on line 11. If the result is less than zero, enter zero on line 12.

Credits

Line 17: Enter the amounts paid to the listed facilities or associations from 1/1/2006 to 12/31/2006, the year immediately preceding the 2007 tax year, including special assessments. Net amounts paid and refunds received during the 2006 tax year for the same facility. If refunds received exceed the amount paid in the year for the same facility, enter zero.

Line 19: This year's credit percentage is 100%. Carry the amount on line 18 here.

Line 20: Enter the amount of Michigan regulatory fees paid in 2007 (under MCL 500.224). Multiply this amount by 50 percent and enter the result on line 20.

Line 22: Subtract line 21 from line 16. If line 21 is greater than line 16, enter zero. The credit on line 21 may not be carried forward to another taxable year.

Line 23, Community Foundation Credit: To be eligible for this credit, the taxpayer must have donated to a Michigan foundation that has been certified by the Michigan Department of Treasury. For a complete list of certified foundations, see page 19. Enter the code for the foundation

contributed to. The credit will not be received if the proper code is not entered. The credit is limited to the smallest of 50 percent of the contribution, 5 percent of tax on line 16, or \$5,000.

Line 25, Homeless Shelter/Food Bank Credit: A partial credit is allowed when making a cash donation to a qualifying shelter for homeless persons, food kitchen, food bank or other entity whose primary purpose is to provide overnight accommodations, food or meals to indigent persons. The credit is limited to the smallest of 50 percent of the contribution, 5 percent of tax on line 16 or \$5,000. For more information, request *Revenue Administrative Bulletin 1992-10*.

Line 27, Public Contribution Credit (Public Colleges and Libraries): A partial credit is allowed when donating during the taxable year to institutions of higher learning located in Michigan, Michigan public libraries, the Michigan colleges foundation, public broadcasting stations located in Michigan and any nonprofit corporation, fund, foundation, trust or association organized and operated exclusively for the benefit of institutions of higher learning located in Michigan. The credit is limited to the smallest of 50 percent of the contribution, 5 percent of tax on line 26, or \$5,000.

Line 29, Nonrefundable Credits: If claiming other nonrefundable credits, complete Form C-8000MC, *SBT Miscellaneous Credits*, enter the amount from line 28 of this form on C-8000MC, line 21. Enter the amount from Form C-8000MC, line 103, here. Attach Form C-8000MC to the return.

Note: Form C-8000MC is historically filed as a schedule with Form C-8000, *SBT Annual Return*. The line references on Form C-8000MC will not apply to this return.

Retaliatory Instructions

(For foreign and alien insurers only; domestic insurers skip lines 31-46.)

Include with the return a copy of the State of Incorporation tax form on which Michigan premiums were reported.

Do not mail this return with the Michigan annual financial statement, and do not send the annual statement filing fee with this return. The taxpayer will be billed separately for the annual statement filing fee by the Michigan Insurance Bureau.

Enter all items that are required of a Michigan insurance company. In some instances, there will be taxes and obligations imposed in other states for which Michigan has no corresponding requirement. Because of the manner of this calculation, completing these items on a Michigan basis may be difficult. Nonetheless, difficulty of calculation does not excuse a foreign insurer from paying to Michigan the same type of obligation a similar Michigan insurer is required to pay in the company's state of domicile.

Do not include the following Michigan assessments, or comparable assessments in the company's state of incorporation, in the retaliatory calculation:

- The Michigan Workers' Compensation Placement Facility
- The Michigan Basic Property Insurance Association
- The Catastrophic Claims Association
- The Michigan Auto Insurance Placement Facility
- The Michigan Life and Health Insurance Guaranty Association
- The Property and Casualty Guaranty Association.

California insurers must include Bureau of Fraudulent Claims assessments. New York domiciled companies **must file** and pay a tentative retaliatory tax to Michigan by the annual due date, March 1, 2008. An **amended** return must be filed 30 days after the actual CT33

return is filed with New York. Do not submit a photocopy of the actual CT33 return. We cannot process them and will return them. Transfer the CT33 numbers onto the amended Form 1366.

Lines 32 - 47. In the Michigan column, enter actual payments made to Michigan. In the State of Incorporation column, enter the payments that would have been payable by a similar Michigan company doing business in the company's home state.

Line 32: Enter the tax a Michigan company would pay in the state of incorporation for the company's Michigan business. Attach a copy of the state's tax form on which Michigan premiums were reported.

Lines 40 - 44: Attach proof of payment for any items listed in the Michigan column. Itemize any other assessments not listed. Attach a separate list if necessary.

Line 46: Subtract line 45, column B from line 45, column A. This amount can't be less than zero. If line 45, column B is a negative number, add column A to the negative number in column B. This will increase the retaliatory amount reported.

Payments

Line 49: Enter the total tax paid with the quarterly tax returns.

Line 50: Enter any tentative payment of estimated tax made with a request for more time to file the return.

Line 51, Refundable Credits. If claiming a Michigan Economic Growth Authority (MEGA) Employment Tax Credit, a Workers' Disability Supplemental Benefit (WDSB) Credit, an Apprenticeship Credit, a Hybrid Technology Research and Development Credit, an Industrial Personal Property Credit, a Transferred Jobs Credit, or a Next Energy Payroll Credit, see Form C-8000MC, *SBT Miscellaneous Credits*. **Enter the amount from Form C-8000MC, line 18, here.** Attach Form C-8000MC to the return.

Line 55 and 56, Penalty and Interest. See "Computing Penalty and Interest" under General Information.

Line 60, Credit Forward to MBT. If you anticipate a Michigan Business Tax (MBT) liability, indicate the amount to credit forward to 2008 MBT.

Mailing instructions

Mail the return to:

With payment:

**Michigan Department of Treasury
Dept. 77229
Detroit, MI 48277-0229**

Without payment:

**Michigan Department of Treasury
P.O. Box 30059
Lansing, MI 48909**

Make check payable to "State of Michigan." Write the FEIN or TR number on the remittance.

2007 MICHIGAN

SBT Miscellaneous Credits

Issued under authority of P.A. 228 of 1975. See instruction booklet for filing guidelines.

2007
C-8000MC

1. Name	2. Federal Employer ID Number (FEIN) or TR Number
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Read the instructions to determine eligibility before claiming any of these credits.

PART 1: REFUNDABLE CREDITS

3. Enter the **MEGA Employment Tax Credit** from the *Annual Tax Credit Certificate* 3. _____ .00
4. Enter the amount of **WDSB Credit** allowed by the Bureau of Worker's Disability Compensation 4. _____ .00

APPRENTICESHIP CREDIT. ENTER NAICS CODE _____

5. Enter all payroll and wages paid to each apprentice or special apprentice. Include the value of fringes and other payroll expenses 5. _____
6. Multiply line 5 by 50% 6. _____
7. Enter all educational costs paid for each apprentice or special apprentice during the tax year 7. _____
8. Add lines 6 and 7 8. _____
9. Enter the amount on line 8 - limited to \$1,000, \$2,000 or \$4,000 (see instructions) 9. _____

A	B	C

10. **Apprenticeship Credit.** Add line 9 across 10. _____ .00

HYBRID TECHNOLOGY RESEARCH AND DEVELOPMENT CREDIT

11. Enter amount from the *Annual Tax Credit Certificate* received from MEGA 11. _____ .00

INDUSTRIAL PERSONAL PROPERTY TAX CREDIT

12. Enter taxes paid in the tax year on Industrial Personal Property 12. _____ .00
13. **Industrial Personal Property Tax Credit.** Multiply line 12 by 15%. 13. _____ .00

TRANSFERRED JOBS CREDIT

14. Enter taxes paid in 2007 on property used in the performance of transferred jobs certified by MEGA 14. _____ .00

NEXT ENERGY PAYROLL CREDIT. Available only to businesses located within an alternative energy renaissance zone.

Enter the street address of property or parcel number: _____

15. Enter the total payroll of research, development or manufacturing employees who work primarily within the zone 15. _____ .00
16. **Payroll Credit.** Multiply line 15 by the income tax rate for the tax year 16. _____ .00
17. **Subtotal** for Apprenticeship, Hybrid Technology R&D, Industrial Personal Property, Transferred Jobs Credit and Next Energy Payroll Credits. Add lines 10, 11, 13, 14 and 16 17. _____ .00
18. **TOTAL REFUNDABLE CREDITS.** Add lines 3, 4 and 17. Enter here and on Form C-8000, line 53, C-8044, line 19 or 1366, line 51 and C-8020, line 8, column A 18. _____ .00

PART 2: NONREFUNDABLE CREDITS

19. Enter the amount from Form C-8000, line 45 19. _____ .00
20. Amount of the Unincorporated Credit from Form C-8000, line 46 20. _____ .00
21. **Tax after Unincorporated Credit.** Subtract line 20 from line 19 21. _____ .00

ENTERPRISE ZONE CREDIT. This credit is available only to certified firms located in Benton Harbor.

If this credit is not being claimed, carry the amount from line 21 to line 35.

Enter the street address of the property or parcel number: _____

22. Enter the average value of property located within the zone. 22. _____ .00
23. Multiply rentals within the zone by 8 and enter the result 23. _____ .00
24. Total property value within the zone. Add lines 22 and 23 24. _____ .00
25. Enter the average value of all Michigan property 25. _____ .00
26. Multiply Michigan rentals by 8 and enter the result 26. _____ .00
27. Add lines 25 and 26 27. _____ .00
28. Divide line 24 by line 27 28. _____ .00
29. Enter the total payroll within the zone 29. _____ .00
30. Enter total Michigan payroll 30. _____ .00
31. Divide line 29 by line 30 31. _____ .00
32. Add lines 28 and 31 32. _____ .00
33. Divide line 32 by 2. If there is only one factor, enter the amount from line 32 33. _____ .00
34. **Enterprise Zone Credit.** Multiply line 21 by line 33 34. _____ .00
35. **Tax After Enterprise Zone Credit.** Subtract line 34 from line 21. If less than zero, enter zero 35. _____ .00

MICHIGAN HISTORIC PRESERVATION CREDIT. If this credit will not be claimed, carry the amount from line 35 to line 40.

36. Total available credit. Enter the amount from Form 3581, line 11	36.	_____	.00
37. Recapture of Michigan Historic Preservation Credit.	37.	_____	.00
38. Subtotal. Subtract line 37 from line 36	38.	_____	.00
39. Michigan Historic Preservation Credit. Enter amount from line 35 or 38, whichever is smaller	39.	_____	.00
40. Tax After Michigan Historic Preservation Credit. Subtract line 39 from line 35. (If line 39 is negative, add its positive value to line 35.)	40.	_____	.00
41. Credit forward to MBT. If line 38 is greater than line 35, enter the difference	41.	_____	.00

LOW-GRADE HEMATITE PELLET CREDIT. If this credit will not be claimed, carry the amount from line 40 to line 46.

42. Current year credit. Enter the number of long tons _____ x \$1.00	42.	_____	.00
43. Enter any unused credit from the previous year	43.	_____	.00
44. Total available credit. Add lines 42 and 43	44.	_____	.00
45. Low-grade Hematite Pellet Credit. Enter the amount from line 40 or line 44, whichever is smaller	45.	_____	.00
46. Tax After Low-grade Hematite Pellet Credit. Subtract line 45 from line 40. If less than zero, enter zero	46.	_____	.00
47. Credit forward to MBT. If line 44 is greater than line 40, enter the difference	47.	_____	.00

NEXT ENERGY BUSINESS ACTIVITY CREDIT. If this credit will not be claimed, carry the amount from line 46 to line 50.

48. Available Credit. Enter the Next Energy Business Activity Credit from the Certificate issued by the MEDC	48.	_____	.00
49. Next Energy Credit. Enter amount from line 46 or line 48, whichever is smaller	49.	_____	.00
50. Tax After Next Energy Credit. Subtract line 49 from line 46. If less than zero, enter zero	50.	_____	.00

PHARMACEUTICAL CREDIT. If this credit will not be claimed, carry the amount from line 50 to line 65.

51. Qualified Research Expenses (QRE) for pharmaceutical business activity in Michigan for 2007	51.	_____	.00
52. QRE for pharmaceutical business activity in Michigan (2006)	52.	_____	.00
53. QRE for pharmaceutical business activity in Michigan (2005)	53.	_____	.00
54. QRE for pharmaceutical business activity in Michigan (2004)	54.	_____	.00
55. Add lines 52, 53 and 54	55.	_____	.00
56. Average QRE for 3 preceding years. Divide line 55 by 3	56.	_____	.00
57. Increased QRE. Subtract line 56 from line 51	57.	_____	.00
58. Multiply line 57 by 6.5% (0.065)	58.	_____	.00
59. Multiply line 56 by 200% (2.00)	59.	_____	.00
60. Available Credit. Enter the lesser of lines 58 or 59	60.	_____	.00
61. Enter any unused credit from the previous year	61.	_____	.00
62. Enter amount of credit assigned to taxpayer from another taxpayer	62.	_____	.00
63. Total available credit. Add lines 60, 61 and 62	63.	_____	.00
64. Pharmaceutical Credit: Enter the amount from line 50 or line 63, whichever is smaller	64.	_____	.00
65. Tax After Pharmaceutical Credit. Subtract line 64 from line 50. If less than zero, enter zero	65.	_____	.00
66. Credit forward to MBT. If line 63 is greater than line 50, enter the difference	66.	_____	.00

QUALIFIED START-UP BUSINESS CREDIT. To claim this credit you must attach a certification letter from MEDC.

If this credit will not be claimed, carry the amount from line 65 to line 70.

67. If a certification letter is attached, enter the amount from line 65	67.	_____	.00
68. Recapture of Qualified Start-Up Business Credit	68.	_____	.00
69. Subtotal. Subtract line 68 from line 67	69.	_____	.00
70. Tax After Qualified Start-Up Business Credit. Subtract line 69 from line 65 (If line 69 is negative, add its positive value to line 65.)	70.	_____	.00

DONATED AUTOMOBILE CREDIT. If this credit will not be claimed, carry the amount from line 70 to line 72.

71. Enter 50% of the Value of Donated Vehicle from attached Form 4284, <i>Donor Tax Credit Certificate for Donated Automobile</i> , or \$100, whichever is smaller	71.	_____	.00
72. Tax After Donated Automobile Credit. Subtract line 71 from line 70. If less than zero, enter zero	72.	_____	.00

CREATED JOBS CREDIT. If this credit will not be claimed, carry the amount from line 72 to line 75.

73. Enter any unused credit from prior years 73. _____ .00

74. **Created Jobs Credit.** Enter the amount from line 72 or 73, whichever is smaller 74. _____ .00

75. **Tax After Created Jobs Credit.** Subtract line 74 from line 72 75. _____ .00

76. Credit forward to MBT. If line 73 is greater than line 72, enter the difference 76. _____ .00

77. Enter the subtotal of the Apprenticeship, Hybrid Technology R&D, Industrial Personal Property,
Transferred Jobs and Next Energy Payroll Credits from line 17 77. _____ .00

78. **Tax After Apprenticeship, Hybrid Technology R&D, Industrial Personal Property, Transferred Jobs and Next
Energy Payroll Credit.** Subtract line 77 from line 75. If less than zero, enter zero 78. _____ .00

"OLD" BROWNFIELD CREDIT. If this credit will not be claimed, carry the amount from line 78 to line 83.

Enter the street address of the property or parcel number: _____

79. Enter any unused credit from the previous years 79. _____ .00

80. **Recapture of Old Brownfield Credit.** 80. _____ .00

81. Subtotal. Subtract line 80 from line 79. 81. _____ .00

82. **Old Brownfield Credit.** Enter the amount from line 78 or line 81, whichever is smaller 82. _____ .00

83. **Tax After Old Brownfield Credit.** Subtract line 82 from line 78.
(If line 82 is negative, add its positive value to line 78.) 83. _____ .00

84. Credit forward to MBT. If line 81 is greater than line 78, enter the difference 84. _____ .00

RENAISSANCE ZONE CREDIT. If this credit will not be claimed, carry the amount from line 83 to line 86. If claiming this credit, complete the Renaissance Zone Worksheet on page 4 of this form.

85. **Renaissance Zone Credit.** Enter the amount from the Renaissance Zone Worksheet, line 24A or 24B,
whichever applies 85. _____ .00

86. **Tax After Renaissance Zone Credit.** Subtract line 85 from line 83. If less than zero, enter zero 86. _____ .00

87. If a WDSB Credit is being claimed, enter the amount from line 4 87. _____ .00

88. **Tax After WDSB Credit.** Subtract line 87 from line 86. If less than zero, enter zero. 88. _____ .00

"NEW" BROWNFIELD CREDIT. If this credit will not be claimed, carry the amount from line 88 to line 95.

89. Enter the amount of available credit from the *SBT Brownfield Redevelopment
Credit Certificate of Completion*, or the amount of credit from the *SBT
Brownfield Credit Assignment* form 89. _____ .00

90. Enter any unused credit from the previous years 90. _____ .00

91. Total Available Credit. Add lines 89 and 90 91. _____ .00

92. **Recapture of New Brownfield Credit.** 92. _____ .00

93. Subtotal. Subtract line 92 from line 91. 93. _____ .00

94. **New Brownfield Credit.** Enter the amount from line 88 or 93, whichever is smaller 94. _____ .00

95. **Tax After New Brownfield Credit.** Subtract line 94 from line 88.
(If line 94 is negative, add its positive value to line 88.) 95. _____ .00

96. Credit forward to MBT. If line 93 is greater than line 88, enter the difference 96. _____ .00

MEGA BUSINESS ACTIVITY CREDIT. If this credit will not be claimed, carry the amount from line 95 to line 101.

97. Enter the MEGA Business Activity Credit from the Annual Tax Credit Certificate 97. _____ .00

98. Enter any unused credit from the previous years 98. _____ .00

99. Total Available Credit. Add lines 97 and 98 99. _____ .00

100. **MEGA Business Activity Credit.** Enter the amount from line 95 or line 99, whichever is smaller 100. _____ .00

101. **Tax After MEGA Business Activity Credit.** Subtract line 100 from line 95. If less than zero, enter zero ... 101. _____ .00

102. Credit forward to MBT. If line 99 is greater than line 95, enter the difference 102. _____ .00

TOTAL NONREFUNDABLE CREDITS

103. Add lines 34, 39, 45, 49, 64, 69, 71, 74, 82, 85, 94 and 100. Enter here and on Form C-8000, line 47 or
Form 1366, line 29 103. _____ .00

RENAISSANCE ZONE CREDIT WORKSHEET

1. Tax liability before Renaissance Zone Credit. Enter the amount from C-8000MC, line 83 1. _____ .00

Enter the street address of the property or parcel number and the name of the zone or subzone that the property is included in: _____

Business Activity Factor:

2. Enter the average value of property located within the zone 2. _____ .00
 3. Multiply rentals within the zone by 8 and enter the result 3. _____ .00
 4. Total property value within the zone. Add lines 2 and 3 4. _____ .00
 5. Enter the average value of all Michigan property 5. _____ .00
 6. Multiply Michigan rentals by 8 and enter the result 6. _____ .00
 7. Add lines 5 and 6 7. _____ .00
 8. Divide line 4 by line 7 8. _____ %
 9. Enter total payroll for services performed within the zone 9. _____ .00
 10. Enter total Michigan payroll 10. _____ .00
 11. Divide line 9 by line 10 11. _____ %
 12. Add lines 8 and 11 12. _____ %
 13. Business Activity Factor. Divide line 12 by 2. If there is only one factor, enter the amount from line 12 13. _____ %
 14. Credit based on the Business Activity Factor. Multiply line 13 by line 1 14. _____ .00

Adjusted services performed in the Renaissance Zone:

15. Enter the amount on line 9 15. _____ .00
 16. Enter the depreciation added to tax base for property exempt under MCL 211.7ff. Claim depreciation for property exempt in the tax year and claim depreciation for new property* that will be exempt in the immediately following tax year 16. _____ .00
 17. Add lines 15 and 16 17. _____ .00
 18. Partnerships, LLCs, S Corporations and individuals only:
 A. Enter business income. If less than zero, enter zero 18A. _____ .00
 B. Enter apportionment factor 18B. _____ %
 C. Enter amount from line 13 18C. _____ %
 D. Multiply line 18A by line 18B by line 18C 18D. _____ .00
 E. Add lines 17 and 18D 18E. _____ .00

Adjusted Services:

A. Enter the amount from line 17, or, if taxpayer is a Partnership, LLC, S Corp or Individual, amount from line 18E 19A. _____ .00
 B. Multiply line 19A by 10% (.10) 19B. _____ .00
 20. Credit for businesses first located within a Renaissance Zone after November 30, 2002. Enter lesser of line 14 or line 19B 20. _____ .00

Renaissance Zone Credit for Businesses first located within a Renaissance Zone before December 1, 2002 ONLY

21 A. Enter Renaissance Zone Credit allowed in 2002 21A. _____ .00
 B. Total payroll for services performed within the Zone in 2002 21B. _____ .00
 C. Depreciation for property exempt under MCL 211.7ff claimed in 2002 21C. _____ .00
 D. Add lines 21B and 21C 21D. _____ .00
 E. Subtract line 21D from line 17. If less than zero, enter zero 21E. _____ .00
 F. Multiply line 21E by 2% (.02) 21F. _____ .00
 G. Add lines 21A and 21F 21G. _____ .00
 22. Enter the lesser of line 14 or line 21G 22. _____ .00
 23. Enter the amount from line 20 23. _____ .00
 24 A. **Renaissance Zone Credit.** Enter the greater of lines 22 or 23 here 24A. _____ .00
 B. **Reduced Renaissance Zone Credit.** Use the Reduced Credit Table below to find the reduced credit percentage. Multiply line 24A by _____ %. 24B. _____ .00
 Enter line 24A or 24B, whichever applies, on C-8000MC, line 85.

Reduced Credit Table. During the last three years of a zone's designation, the credit must be reduced. The reduced credit is:

- 75 percent for the tax year that is two years before the final year of designation as a renaissance zone.
- 50 percent for the tax year immediately preceding the final year of the designation as a renaissance zone.
- 25 percent for the tax year that is in the final year of designation as a renaissance zone.

* i.e., property that has not been subject to, or exempt from the collection of taxes under the General Property Tax Act and has not been subject to, or exempt from ad valorem property taxes levied in another state, except that receiving an exemption as inventory property does not disqualify property.

Instructions for Form C-8000MC, Miscellaneous Credits

(Fiscal filers, see supplemental instructions on page 75)

Purpose: To allow eligible taxpayers to claim the Michigan Economic Growth Authority (MEGA), Workers' Disability Supplemental Benefit (WDSB), Apprenticeship, Hybrid Technology Research and Development, Industrial Personal Property, Transferred Jobs, Next Energy, Enterprise Zone, Michigan Historic Preservation, Low Grade Hematite Pellet, Pharmaceutical, Qualified Start-Up Business, Donated Automobile, Created Jobs, Renaissance Zone and Brownfield credits. Review the descriptions carefully before claiming a credit as there are strict eligibility requirements. Follow the instructions on the form for each credit.

① **Note:** Fiscal year returns must be adjusted to capture only activity prior to 2008. See supplemental instructions for fiscal year filers on page 75.

PART 1: Refundable Credits

The MEGA Employment Tax Credit promotes economic growth and jobs in Michigan. Projects must be certified by MEGA. Approved businesses receive a certificate from MEGA each year showing the total amount of tax credit allowed. Attach the *Annual Tax Credit Certificate* to the return to substantiate a claim. The credit will be disallowed if the certificate is not attached. For more information, call the Michigan Economic Development Corporation (MEDC) at (517) 373-9808 or visit the MEDC Web site at medc.michigan.org/miadvantage/incentives.

The WDSB Credit is available to self-insured employers only for the amount authorized by the Department of Labor and Economic Growth (DLEG) during the tax year. The authorization date and the amount of credit are on the credit list (LW06401-Z04) given to taxpayers by DLEG. Attach a copy of the credit list(s) to the return to substantiate claims. For more information on WDSB credit eligibility, call DLEG, Bureau of Workers' Disability Compensation, at (517) 322-1879 or (888) 396-5041 or visit the DLEG Web site at www.michigan.gov/wca.

The Apprenticeship Credit encourages businesses to hire and provide training to qualified students. The credit equals 50 percent of the payroll expenses paid for the benefit of an apprentice in a qualified program *plus* 100 percent of the cost of classroom instruction and related expenses. Apprentices must be 16-19 years old and enrolled in either high school or a GED program. For tax years beginning after December 31, 2003, the maximum credit allowed annually per apprentice is \$4,000 for companies

classified as a tool and die company under the North American Industrial Classification System (NAICS), and \$2,000 for all other companies. In addition, NAICS classified tool and die companies will be allowed a credit of up to \$1,000 annually for qualified expenses incurred in the training of each special apprentice. A special apprentice is not an apprentice as defined above, but is a Michigan resident, 16 - 24 years of age, and is trained through a program that meets all statutory criteria.

To substantiate claims, attach a copy of an approved federal form *ETA 671* to the return for each apprentice. For more information, call the U.S. Department of Labor, Bureau of Apprenticeship and Training, at (517) 377-1746 or visit Michigan's School-to-Registered Apprenticeship Program and Tax Credit Web site at www.michigan.gov/mdcd and click on "Program Fact Sheets."

The Hybrid Technology Research and Development Credit is for tax years beginning on or after January 1, 2006. A taxpayer that is engaged in research and development of a qualified technology can claim a credit against the SBT equal to 3.9 percent of the compensation for services performed in a qualified facility and paid to employees at the facility in the tax year. The taxpayer must have entered into an agreement with the Michigan Economic Growth Authority (MEGA) before April 1, 2007. Each year, approved businesses receive a certificate from MEGA showing the total amount of tax credit allowed. Attach the *Annual Credit Certificate* to the return to substantiate a claim. The credit will be disallowed if the certificate is not attached. The maximum credit that any one taxpayer may claim in a single year is \$3.0 million. For more information, call the Michigan Economic Development Corporation (MEDC) at (517) 373-9808 or visit the MEDC Web site at medc.michigan.org/miadvantage/incentives.

The Industrial Personal Property Credit is equal to 15 percent of personal property tax paid on industrial personal property. "Industrial personal property" means property classified as industrial personal property under MCL 211.34c. This credit is limited to taxes actually paid (cash basis) in 2007 and levied after 2005. Attach a copy(s) of the Summer and/or Winter Tax Statement (bill) upon which the credit is based and proof the tax was paid in 2007. The statement must show the classification of the property as "Industrial Personal Property." If the statement does not reflect that, you must attach a letter or other documentation to substantiate your claim.

To qualify for the credit a taxpayer must file the statement of personal property described under MCL 211.19 by February 20. The statement filed on or before February 20, 2007 relates to property taxes that will be levied on industrial personal property on July 1, 2007 and December 1, 2007.

A lessee of property may not claim credit for taxes it is paying on behalf of the owner/lessor.

The Transferred Jobs Credit is equal to 100 percent of the property tax paid on tangible personal property used in the performance of jobs transferred to Michigan. "Transferred jobs" are defined as jobs that involve high-technology activity or manufacturing, previously were located in another state or country, and were moved to Michigan in the tax year in which the credit is claimed or in the immediately preceding tax year.

A new position will not qualify as a transferred job if the employee was already working for the taxpayer in Michigan, or for a related entity, or for an entity with which the taxpayer files an SBT consolidated return. The transferred job must also come with benefits that include health and prescription coverage.

If a taxpayer does not maintain the reported job levels for three years it must add back a percentage of the credit according to when the reduction in jobs occurs.

Important: Personal property taxes used to calculate this credit can not also be considered in calculating the Industrial Personal Property Tax Credit.

Approved businesses will receive a certificate from MEGA specifying the taxable value of the qualified property. You must attach the certificate to the return, as well as a copy(s) of the Summer and/or Winter Tax Statement (bill) upon which the credit is based and proof the tax was paid in 2007. You must also attach a statement reconciling the tax bill(s) with the MEGA certificate.

The Next Energy Payroll Credit provides a payroll credit to qualified businesses located within an alternative energy renaissance zone. Qualified businesses must be engaged solely in the research, development or manufacturing of an alternative energy technology. The credit is equal to the payroll amount for the tax year attributable to employees who are working on alternative energy-related research, development or manufacturing and whose regular place of employment is within the zone, multiplied by the income tax rate for that year.

PART 2: Nonrefundable Credits. An unused carryforward from an SBT credit may be applied

against the Michigan Business Tax (MBT) liability for the 2008 and 2009 tax years only, unless specified separately.

The Enterprise Zone Credit was created to encourage businesses to locate and expand in areas with high unemployment, low income, high property taxes and low property value. A certified business is eligible for a credit equal to the amount of tax liability attributable to business activity in the enterprise zone for ten years from the date the business was certified. The only certified enterprise zone eligible for this credit is in Benton Harbor. No new applications are being accepted for this credit. Be sure to enter the street address or the parcel number of the property before beginning the calculation. For more information, see Revenue Administrative Bulletin 1993-10 or call the MEDC at (517) 373-9808.

The Michigan Historic Preservation Credit provides tax incentives for homeowners, commercial property owners and businesses to rehabilitate historic resources located in Michigan. The credit is based upon the qualified expenditures made for rehabilitating historic resources.

Form 3581, *Michigan Historic Preservation Tax Credit*, must be attached as well as all attachments requested on that form. Complete and attach Form 3614, *Michigan Historic Preservation Tax Credit Assignment*, if the credit is being assigned.

① **Note:** An unused carryforward of this credit may be claimed against the tax imposed under the MBT for the years the carryforward would have been available under the SBT. Maximum 10 years.

① **Note:** If the resource is sold or the Certification of Completed rehabilitation is revoked less than five years after the credit is claimed, a percentage of the credit will be subject to recapture. If the credit has been assigned, the recapture is the responsibility of the assignee. The percentages below apply to the years subsequent to the year in which the credit was claimed.

- 100 percent - If less than 1 year
- 80 percent - If at least 1 year, but less than 2 years
- 60 percent - If at least 2 years, but less than 3 years
- 40 percent - If at least 3 years, but less than 4 years
- 20 percent - If at least 4 years, but less than 5 years

Questions regarding federal and state certification may be directed to the State Historic Preservation Office (SHPO) at (517) 373-1630. For additional information, visit the SHPO Web site at

www.michigan.gov/shpo. Information about Federal Historic Preservation Tax Incentives is available at **www2.cr.nps.gov.**

The Low-Grade Hematite Pellet Credit provides a credit equal to \$1 per long ton of qualified low-grade hematite pellets consumed in an industrial or manufacturing process that is the business activity of the taxpayer. This credit shall be based on low-grade hematite pellets consumed on or after January 1, 2000. If the credit exceeds the tax liability, the excess may be carried forward. Assuming the 5-year limitation has not yet been reached, an unused carryforward may be applied against the MBT liability for 2008 and 2009 only.

The Next Energy Business Activity Credit allows an eligible taxpayer to claim a credit for certain qualified business activity if certified under the Michigan Next Energy Authority Act.

“Qualified business activity” is research, development or manufacturing of an alternative energy marine propulsion system, an alternative energy system, an alternative energy vehicle or alternative energy technology (as defined in the Act) or renewable fuel. The credit for a tax year is equal to the amount by which the taxpayer’s SBT liability attributable to qualified business activity for the tax year exceeds the taxpayer’s baseline tax liability attributable to qualified business activity. Attach the certificate issued by MEDC for this credit to the return to substantiate a claim.

For more information, call the MEDC at (517) 373-9808 or visit their Web site at medc.michigan.org/miadvantage/incentives.

The Pharmaceutical Credit provides a credit for qualified research expenses (as defined in section 41 of the IRC) related to the taxpayer’s pharmaceutical-based business activity in Michigan. Eligible taxpayers must be primarily engaged in manufacturing, research, development and sale of pharmaceuticals; have at least 8,500 employees in Michigan whose primary place of employment is within a 100-mile radius of each other, where at least 5,000 of these Michigan employees must be engaged primarily in research and development of pharmaceuticals. If the credit exceeds the tax liability for the year, the excess may be carried forward. Assuming the 7-year limitation has not been reached, an unused carryforward may be applied against the MBT liability for 2008 and 2009 only. Complete and attach Form 4079, *Michigan Pharmaceutical Credit Assignment*, if the credit is being assigned.

The Qualified Start-Up Business Credit provides a credit for small, relatively new taxpayers with substantial research and development activity. For a qualified taxpayer, the credit is equal to the taxpayer’s SBT liability for the year. To qualify, a

taxpayer must apply to and obtain certification from MEDC, and attach that certificate to its SBT return. The application form is on the MEDC Web site (medc.michigan.org/miadvantage/incentives); call (517) 373-9808 for more information. Criteria generally are as follows:

- Fewer than 25 full-time equivalent employees
- Sales of less than \$1,000,000 in the year for which the credit is claimed
- Not publicly traded
- Research and development make up at least 15 percent of its expenses in the year of the credit
- During the immediately preceding seven years was in one of the first two years of contribution liability under the Michigan Employment Security Act.

① **Note:** A company claiming the Qualified Start-Up Business Credit must pay back a portion of the credit if they move out of the state within three years after the last tax year in which the credit was taken. The following amounts must be added to the tax liability:

- 100 percent of the total of all credits claimed if the move is within the first tax year after the last tax year for which a credit is claimed.
- 67 percent of the total of all credits claimed if the move is within the second tax year after the last tax year for which a credit is claimed.
- 33 percent of the total of all credits claimed if the move is within the third tax year after the last tax year for which a credit is claimed.

The Donated Automobile Credit is a nonrefundable credit equal to 50 percent of the fair market value of an automobile donated to a qualified organization that intends to provide the auto to a qualified recipient for transportation to work. A qualified organization is one certified by the Department of Treasury for this credit. The maximum credit for a year is \$100. Attach Form 4284, *Donor Tax Credit Certificate*, to substantiate this credit.

The Created Jobs Credit was available for years beginning in 2005. The credit carryforwards from credits that were previously approved may still be applied against the current tax liability until the credit is used up or the 10-year limitation has been reached. Assuming the 10-year limitation has not been reached, an unused carryforward from this SBT credit may be applied against the MBT liability for the 2008 and 2009 tax years only.

The Old Brownfield Credit was available for tax years that began after December 31, 1996 and before January 1, 2001. The credit carryforwards from

credits that were previously approved may still be applied against the current tax liability until the credit is used up or the 10-year limitation has been reached. Assuming the 10-year limitation has not been reached, an unused carryforward from this SBT credit may be applied against the MBT liability for the 2008 and 2009 tax years only.

① **Note:** A partial recapture of the credit is required if tangible assets used in the calculation of the credit are sold, disposed of, or transferred from the property. The recapture is equal to 10 percent of the federal basis used for determining gain or loss as of the date of the sale, disposition or transfer.

The Renaissance Zone Credit encourages businesses and individuals to move into a designated zone to help revitalize the area by providing a credit for businesses located and doing business activity within the Zone. The method of calculating the credit is different for businesses first locating and conducting business activity within a Renaissance Zone before December 1, 2002, and those businesses first locating and conducting business activity within a Renaissance Zone after November 30, 2002. Be sure to enter the street address or the parcel number of the property before beginning the calculation.

Business activities relating to a casino, including operating a parking lot, hotel, motel or retail store, cannot be used to calculate this credit. Businesses delinquent in filing or paying property tax, single business tax or city income tax as of December 31 of the prior tax year are not eligible for this credit. Taxpayers will be notified if a claimed credit is disallowed. Complete the Renaissance Zone Credit Worksheet to claim this credit.

During the last three years of a zone's designation, the credit must be reduced as follows:

- 25 percent for the tax year that is two years before the final year of designation as a renaissance zone.
- 50 percent for the tax year immediately preceding the final year of designation as a renaissance zone.
- 75 percent for the tax year that is the final year of designation as a renaissance zone.

For general information on Renaissance Zones, contact the MEDC at (517) 373-9808 or visit their Web site at medc.michigan.org/miadvantage/incentives.

For information on the SBT credit, contact the Michigan Department of Treasury, Customer Contact Division, SBT Unit, at (517) 636-4700.

The New Brownfield Credit, extended through 2007, encourages businesses to make investment on eligible Michigan property that was used or is currently used

for commercial, industrial or residential purposes and is either a facility (environmentally contaminated property), functionally obsolete or blighted. Functionally obsolete or blighted property must be located in a qualified local governmental unit. For the purpose of this credit, the local Brownfield Redevelopment Financing Authority designates eligible property in an approved Brownfield plan.

For the credit to be valid, attach the *Certificate of Completion*, issued after the completion of the approval process, to the return. If the credit is being assigned, attach documentation verifying that the credit is valid. If the credit exceeds the tax liability for the year, the difference may be carried forward for the next ten tax years.

① **Note:** An unused credit carryforward may be claimed against the tax imposed under the MBT for the years the carryforward would have been available under the SBT, but it expires after ten years (combined SBT and MBT years).

① **Note:** The sale, disposal, or transfer to another location of **personal** property used to calculate this credit will result in an addition to the tax liability of the qualified taxpayer who was originally awarded the credit in the year in which the sale, disposal or transfer occurs. This is true even if the credit was assigned to someone else. This additional liability will be calculated by multiplying the same percentage as is used to calculate the credit (e.g., 10 percent) times the federal basis of the property used to calculate gain or loss as of the date of the sale, disposition or transfer.

PA 249 of 2003 transferred the administration of the SBT Brownfield credit program from the Department of Treasury to MEGA. For more information on the approval process, contact the MEDC at (517) 373-9808.


The MEGA Business Activity Tax Credit promotes economic growth and jobs in Michigan and includes the MEGA credit for distressed businesses. Projects must be certified by MEGA. Each year, approved businesses receive a certificate from MEGA showing the total amount of tax credit allowed. Attach the *Annual Tax Credit Certificate* to the return to substantiate a claim. The credit will be disallowed if the certificate is not attached. If the credit exceeds the tax liability for the year, the excess may be carried forward. Assuming the 10-year limitation has not been reached, an unused carryforward may be applied against the MBT liability for 2008 and 2009 only. For more information, contact MEDC at (517) 373-9808 or visit medc.michigan.org/miadvantage/incentives.

Attach this schedule to the return.

2008 Insurance Company Quarterly Return for MBT and Retaliatory Tax

Issued under authority of P.A. 36 of 2007. See instructions for filing guidelines.


4th QUARTER DUE: January 15, 2009

Business Name	NAICS Number	Federal Employer ID Number (FEIN) or TR Number
Address (Number and Street)	WRITE PAYMENT AMOUNT HERE  \$.00	
City, State, ZIP Code	Make check payable to " State of Michigan. " Write the FEIN or TR Number and " 2008 MBT Insurance Quarterly " on the check. Mail to: Michigan Department of Treasury Dept. 77229 Detroit, MI 48277-0229	
Taxpayer's Signature		

2008 Insurance Company Quarterly Return for MBT and Retaliatory Tax

Issued under authority of P.A. 36 of 2007. See instructions for filing guidelines.


3rd QUARTER DUE: October 15, 2008

Business Name	NAICS Number	Federal Employer ID Number (FEIN) or TR Number
Address (Number and Street)	WRITE PAYMENT AMOUNT HERE  \$.00	
City, State, ZIP Code	Make check payable to " State of Michigan. " Write the FEIN or TR Number and " 2008 MBT Insurance Quarterly " on the check. Mail to: Michigan Department of Treasury Dept. 77229 Detroit, MI 48277-0229	
Taxpayer's Signature		

2008 Insurance Company Quarterly Return for MBT and Retaliatory Tax

Issued under authority of P.A. 36 of 2007. See instructions for filing guidelines.


2nd QUARTER DUE: July 15, 2008

Business Name	NAICS Number	Federal Employer ID Number (FEIN) or TR Number
Address (Number and Street)	WRITE PAYMENT AMOUNT HERE  \$.00	
City, State, ZIP Code	Make check payable to " State of Michigan. " Write the FEIN or TR Number and " 2008 MBT Insurance Quarterly " on the check. Mail to: Michigan Department of Treasury Dept. 77229 Detroit, MI 48277-0229	
Taxpayer's Signature		

2008 Insurance Company Quarterly Return for MBT and Retaliatory Tax

Issued under authority of P.A. 36 of 2007. See instructions for filing guidelines.

1st QUARTER DUE: April 15, 2008

Business Name	NAICS Number	Federal Employer ID Number (FEIN) or TR Number
Address (Number and Street)	WRITE PAYMENT AMOUNT HERE  \$.00	
City, State, ZIP Code	Make check payable to " State of Michigan. " Write the FEIN or TR Number and " 2008 MBT Insurance Quarterly " on the check. Mail to: Michigan Department of Treasury Dept. 77229 Detroit, MI 48277-0229	
Taxpayer's Signature		

Place this return in a window envelope so the address is showing.

Mail To:

MICHIGAN DEPARTMENT OF TREASURY
DEPT 77229
DETROIT MI 48277-0229

Place this return in a window envelope so the address is showing.

Mail To:

MICHIGAN DEPARTMENT OF TREASURY
DEPT 77229
DETROIT MI 48277-0229

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DEPT 77229
DETROIT MI 48277-0229

Insurance Company Quarterly Return for MBT and Retaliatory Tax

Michigan Business Tax Estimates

Michigan Business Tax (MBT) is a tax on Michigan business activity and replaces the Single Business Tax (SBT) effective January 1, 2008.

In lieu of other taxes imposed by the MBT, insurance companies are subject to a 1.25 percent tax on gross direct premiums written on property or risk located or residing in this state with certain exclusions listed in MCL 208.1235. There is no filing threshold for insurance companies. Insurance companies will continue to pay the greater of the 1.25 percent MBT insurance company premium tax or the retaliatory tax in section 476a of the insurance code on a calendar year basis.

Taxpayers with an annual MBT/Retaliatory Tax liability expected to exceed \$800 must make estimated payments. The sum of your estimated payments must equal at least 85 percent of your liability and the amount of each payment must reasonably approximate the tax liability incurred during the period. If your tax year was less than 12 months (e.g., you opened or closed a business during the year) annualize the tax to see if you must file estimates.

When to File MBT Quarterly Tax Returns

Quarterly returns are due the 15th day of April, July, October and January. For any tax year that includes an estimate period of less than 3 months, the return is due on the 15th day of the month immediately following the final month of the taxpayer's tax year. However, estimated payments are not required for a taxpayer with a short year of less than four calendar months.

How Much to Pay

Your quarterly estimated MBT/Retaliatory Tax payment must be calculated on the greater of the amount of tax imposed under chapter 2A of the MBT or under section 476a of the insurance code of 1956, 1956 PA 218, MCL 500.476a.

No penalty or interest will be charged if payments are made on time and the sum of the estimated payments equals at least 85 percent of your annual liability, and the amount of each payment reasonably

approximates the tax liability incurred during the period. Estimates cannot be based on the prior year's SBT/Retaliatory Tax liability and cannot be based on 1 percent of gross receipts.

Estimating Tax Liability

Under the MBT, Insurance companies are subject to a 1.25 percent tax on gross direct premiums written on property or risk located or residing in this state with certain exclusions, including:

- Premiums on policies not taken.
- Return premiums on canceled policies.
- Receipts from sales of annuities.
- Receipts on reinsurance premiums if the tax has been paid on the original premiums.
- The first \$190,000,000 of disability insurance premiums written in this state, other than credit insurance and disability income insurance premiums, reduced by \$2 for each \$1 by which the gross direct premiums from insurance carrier services, both within and without this state, exceeds \$280,000,000.

Credits may be claimed against the tax for amounts paid to the following, using the assessments from the immediately preceding tax year.

- Michigan Worker's Compensation Placement Facility
- Michigan Basic Property Insurance Association
- Michigan Automobile Insurance Placement Facility
- Property and Casualty Guaranty Association
- Michigan Life and Health Guaranty Association

An insurance company that does not make any of the first four payments described above may claim the compensation credit provided under section MCL 208.1403(2), not to exceed 65 percent of the insurance company's tax liability for the tax year after claiming the other credits allowed.

In addition, credits are available for 50 percent of examination fees paid during the tax year, and 100 percent of the amount paid during the tax year pursuant to section 352 of the worker's disability compensation act of 1969, as certified by the director of the Bureau of Worker's Disability Compensation.

Foreign and alien insurers may be liable for the retaliatory tax in section 476a of the insurance code and must look to the laws of their state of incorporation to make the appropriate calculation. Insurance companies must pay the greater of the MBT or the retaliatory tax.

For more comprehensive information regarding the MBT, please refer to the Michigan Business Tax Act (MCL 208.1101 et seq.) or visit the MBT Web site at **www.michigan.gov/MBT**. The Web site contains information taxpayers may find helpful in determining their estimated tax liability.

Penalty and Interest

Penalty is 5 percent of tax due, for the first two months. Penalty increases by an additional 5 percent per month, or fraction thereof, after the second month, to a maximum of 25 percent.

If the sum of the estimated payments is less than 85 percent of the annual liability, or the amount of the estimated payment doesn't equal the quarter's liability, interest will accrue. The interest rate is adjusted by Treasury January 1 and July 1 of each year, to 1 percent above the prime rate. For a complete list of interest rates, see RAB 2007-4 on Treasury's Web site at **www.michigan.gov/taxes**.

Filing Quarterly Tax Returns

Make your check payable to "State of Michigan" and write your account number and "2008 MBT Insurance Quarterly" on the front of the check. Mail your check with the MBT quarterly return for that installment. Do NOT staple your check to the return. Mail your check and return to:

Michigan Department of Treasury
Department 77229
Detroit, MI 48277-0229

Certified Community Foundations and Component Funds

A component fund serves donors and nonprofit organizations in a specific geographic area as a restricted fund of a neighboring community foundation. The following are certified for the Community Foundations Credit for 2007.

01 Albion Community Foundation	13 Four County Community Foundation
56 Allegan County Community Foundation Saugatuck/Douglas Area Community Fund	14 Fremont Area Community Foundation Lake County Community Foundation
63 Anchor Bay Community Foundation	Mecosta County Community Foundation
02 Ann Arbor Area Community Foundation Community Foundation of Plymouth Ypsilanti Area Community Fund	Osceola County Community Foundation
49 Baraga County Community Foundation	15 Grand Haven Area Community Foundation Allendale Community Foundation
58 Barry Community Foundation	Coopersville Area Community Foundation
17 Battle Creek Community Foundation Athens Area Community Foundation Homer Area Community Foundation Springfield Community Foundation	16 Grand Rapids Community Foundation Ionia County Community Foundation Lowell Area Community Fund Southeast Ottawa Community Foundation Sparta Community Foundation Wyoming Community Foundation
03 Bay Area Community Foundation Arenac County Fund	46 Grand Traverse Regional Community Foundation
04 Berrien Community Foundation	48 Gratiot County Community Foundation
45 Branch County Community Foundation	18 Greater Frankenmuth Area Community Foundation
36 Cadillac Area Community Foundation Missaukee Area Community Foundation	37 Greenville Area Community Foundation Lakeview Area Community Fund Montcalm Panhandle Community Fund
64 Canton Community Foundation	43 Hillsdale County Community Foundation
06 Capital Region Community Foundation Eaton County Community Foundation	60 Huron County Community Foundation
66 Central Montcalm Community Foundation	21 Jackson County Community Foundation
44 Charlevoix County Community Foundation	22 Kalamazoo Community Foundation Covert Township Community Foundation
28 Community Foundation for Muskegon County Community Foundation for Mason County Community Foundation for Oceana County	67 Keweenaw Community Foundation
29 Community Foundation for Northeast Michigan Iosco County Community Foundation North Central Michigan Community Foundation Straits Area Community Foundation	77 Lapeer County Community Foundation
09 Community Foundation for Southeast Michigan Chelsea Community Foundation Community Foundation for Livingston County	23 Leelanau Township Community Foundation
10 Community Foundation of Greater Flint Clio Area Community Fund Fenton Community Fund Flushing Community Fund Grand Blanc Community Fund Davison Community Fund	62 Lenawee Community Foundation
19 Community Foundation of Greater Rochester	55 Livonia Community Foundation
11 Community Foundation of Monroe County Greater Milan Area Foundation The Bedford Foundation	25 M & M Area Community Foundation
35 Community Foundation of St. Clair County	65 Mackinac Island Community Foundation
20 Community Foundation of the Holland/Zeeland Area	24 Manistee County Community Foundation
54 Community Foundation of the Upper Peninsula Alger Regional Community Foundation Chippewa County Community Foundation Community Foundation for Delta County Gogebic-Ontonagon Community Foundation Les Cheneaux Area Community Foundation Schoolcraft County Community Foundation St. Ignace Area Community Foundation Tahquamenon Area Community Foundation West Iron County Area Community Foundation	39 Marquette Community Foundation Greater Ishpeming Area Community Fund Gwinn Area Community Fund Negaunee Area Community Fund
72 Community Foundation of Troy	26 Marshall Community Foundation
50 Dickinson County Area Community Foundation Crystal Falls/Forest Park Area Community Fund Norway Area Community Fund	05 Michigan Gateway Community Foundation
	27 Midland Area Community Foundation Clare County Community Foundation Gladwin County Endowment Fund
	42 Mt. Pleasant Area Community Foundation
	68 Northville Community Foundation
	75 Otsego County Community Foundation
	47 Petoskey-Harbor Springs Area Community Foundation
	76 Roscommon County Community Foundation
	30 Saginaw Community Foundation Chesaning Area Community Foundation Fund
	61 Sanilac County Community Foundation
	71 Shelby Community Foundation
	31 Shiawassee Community Foundation
	57 Southfield Community Foundation
	74 Sterling Heights Community Foundation
	40 Sturgis Area Community Foundation Constantine Area Community Foundation White Pigeon Area Community Foundation
	32 Three Rivers Area Community Foundation
	73 Tuscola County Community Foundation

Revenue Administrative Bulletins

For a complete list go to www.michigan.gov/bustax.

<u>Number</u>	<u>Title</u>
2007-4	Interest Rate
2007-3	List of Certified Community Foundations for Tax Year 2007 Single Business Tax Credit and Income Tax Credit
2005-3	Penalty Provisions
2002-16	Single Business Tax - Financial Organizations Defined
2002-14	Apportionment Sourcing for Financial Organizations
1998-1	Single Business Tax Nexus Standards
1996-4	Credit or Refund of Overpayment of Taxes or Credits in Excess of Tax Due and Applicable Interest
1995-10	Income Tax - Single Business Tax Community Foundation Credit Extended
1994-12	Single Business Tax and Individual Income Tax Treatment of an Election Under Internal Revenue Code Section 338
1994-1	Challenge of Assessment, Decision or Order Limited by Statute
1993-14	Credit or Refund of Overpayment of Taxes or Credits in Excess of Tax Due and Applicable Interest
1993-10	Enterprise Zone Act. Sales and Use Tax Exemptions and Single Business Tax Credit
1992-10	Income and Single Business Taxes - Credit for Cash Donations to Eligible Shelters for the Homeless, Food Kitchens and Food Banks
1992-3	Single Business Tax, Capital Acquisition Deduction
1990-35	Single Business Tax Treatment of Terminated Pension Plans
1989-54	Single Business Taxation of Real Estate Mortgage Investment Conduits (REMICs)
1989-51	Single Business Tax, Small Business Credit and Statutory Exemption for Part-Year Shareholders/Partners
1989-49	Single Business Tax, Consolidated or Combined Reporting
1989-48	Single Business Tax, Entities Under Common Control
1989-47	Single Business Tax, Agriculture Exemption
1989-38	Officer Liability
1987-6	Single Business Tax Estimates

Alternate Format: Assistance in obtaining printed material in an alternate format may be requested by calling 1-800-827-4000, press options 1, 4 and 223.

TTY: Teletypewriter assistance is available by calling 517-636-4999.